merlin

promoting supply chain excellence

Assessment Report
For

A4e LTD

By Andy Richardson

On behalf of emqc Ltd

Assessment Dates: 28/05/12 – 31/05/12

Contents

About the Organisation

A4e is a public service provider, established some 20 years ago, initially to serve the ex-workers from the declining steel industry around Sheffield, the home of its present Head Quarters. It now has around 240 of its own district offices throughout the UK, as well as serving thousands of people across three continents – Europe, Australasia and Asia. A4e's core mission is to improve people's lives.

They have established themselves to work in partnership with governments, public sector organisations, private sector companies, and voluntary and community groups to deliver a range of front line public services, including employment and welfare, training, education and money and legal advice.

The following is a summary, drawn from their own web site, of the range of services provided by A4e:

- Increasing employment – helping people find and keep jobs and helping others set up their own businesses
- Reducing re-offending – by education, training and embedding a work ethos to assisting rehabilitation back into the community
- Financial inclusion – providing access to money advice to help people make informed financial choices
- Skills and training – ensuring that people can access the employment and learning opportunities that are right for them
- Healthcare – improving access to health and social case services and empowering disabled people through employment and advisory services

The Work Programme (WP) contract commenced in June 2011 and now has in excess of 100,000 participants at any one time.

Assessment Methodology

This assessment forms part of the first phase of the Merlin assessments to be carried out. The scope of the assessment was restricted to A4e's Work Programme contract within CPAs 2, 4, 6, 9 and 17. The team comprised of Andy Richardson (Lead Assessor) and two team assessors: Lorna Bainbridge and Patricia Pugh.

At an initial planning meeting between the Lead Assessor and senior representatives of A4e, including the person acting as Coordinator for this Merlin assessment, a sample of Supply Chain Partners (SCPs) were identified that suitably reflected the make-up of A4e's supply chain. From this sample, the Coordinator created schedules for each of the assessors, modified marginally over subsequent weeks to accommodate the availability of individuals.

During the assessment, assessors reviewed a diverse and substantial range of evidence, including written documentation and electronic systems. This was supported by face-to-face

and phone interviews with representatives of A4e and both Tier 2 and Tier 3 providers within the five CPAs.

Each assessor completed the schedule of interviews over the first three days of this assessment, convening on day four to share findings and agree scorings for each criterion within the Merlin standard. These detailed findings were provided initially to A4e's Merlin Coordinator and subsequently to a range of senior and middle managers at a feedback session on the afternoon of the fourth day. This feedback included the final outcome of the assessment, as well as providing an overview of the key areas of strength and areas for consideration when it comes to continuous improvement moving forward.

Assessment Outcome

Overall %	70%
Overall Outcome	Good
Supply Chain Design	Good
Commitment	Good
Conduct	Satisfactory
Review	Satisfactory

Strengths

- Supply chain design has been shown to be good throughout all criteria. The sheer scope and range of the Organisation has allowed for some very effective networks to be established with both local councils and major pre-existing organisations, providing for diversity and depth to its provision. It will obviously serve A4e well to maintain such alliances moving forward as these will play a major part in future stakeholder analysis and supply chain review. (1a.1 & 4a.1)

- These effective relationships allowed A4e to undertake some detailed research into the needs of the customer groups, through consultation and analysis of existing data, into the range of provision already in place, prior to procurement. (1a.1)

- Good up-front communications, through presentations, group discussions and one-to-one dialogue, enabled prospective Supply Chain Partners (SCPs) to see exactly what was on offer through the contract 'in an open and honest way', as several of the SCPs commented. This included helping them to understand business relationships and reporting lines throughout the supply chain. (2a.1 & 2a.4)

- There are some good examples of A4e supporting SCPs to develop, for example in building capacity and providing guidance on compliance issues. In some cases, this also included helping some small SCPs through diversification to literally survive the economic downturn, especially as public funding was steadily withdrawn in certain sectors. (2b.1)

- The processes and practices adopted for the selection of supply chain partners were found to be very effective. Examples of good practice identified here included the use of scoring and weighting mechanisms and a framework approach in which applicants registered their basic details only once and then submitted project specific bids for each contract. The framework in particular gained some good feedback from SCPs when questioned within this assessment. (2c.1)

- The contracting documentation was found to be very clear when it comes to defining responsibilities from all parties involved. SCPs commented that they had found the contracts to be very effective at outlining obligations and that they provided a useful tool for ongoing review. (2c.3)

- This clarity of understanding has clearly had a positive impact on the transfer of funds around the network and there were no examples identified in discussions with SCPs of incorrect or late payments being made by A4e. (2c.7)

- The pre-contract presentations made to all interested parties were also effective in clarifying the purpose and levels of the Management Fee and ongoing dialogue developed understanding amongst SCPs still further. The contracting stage was interpreted as an indication that the SCPs accepted the level of Fees levied. (2c.8)

- During this assessment the conduct of staff throughout A4e was found to be of a high standard at all levels. This had a very positive impact on the TUPE process and those interviewed in this respect showed a good level of satisfaction, both with the process and with the service they received from A4e staff throughout. Up front communications by way of presentations, group and individual discussions, all served to answer questions effectively and allay some of the concerns surrounding the TUPE process. (3a.2)

- All those interviewed also commented on the professional and supportive approach adopted by the people they had contact with throughout A4e. They indicated that staff are solutions orientated and that 'they often go out of their way to help' the SCPs. (3a.3)

- These effective relationships, connected to the good cascade of information have enabled SCPs to have a good level of understanding around legislative and contractual requirements and any changes are swiftly notified through the website, the newsletters and during the SCPs monthly review meetings with Partner Performance Managers from A4e. (3a. 4)

- The diverse nature of A4e's supply chain has ensured a wide range of specialist information, advice and guidance is available to customers. By using some well established organisations as providers of IAG services, e.g. local Councils, drug rehabilitation organisations and homelessness associations, A4e has assured a high level of service effectiveness. A4e also looks for organisations that have achieved the **matrix** accreditation as an indicator of quality provision. (3b.3)

- In seeking to identify and share good/excellent practice, A4e has established a number of mechanisms, principal of which are the quarterly events and fora held with SCPs, in which organisations are asked to identify highly effective practices they have developed or

encountered and share them with other members of the network. Examples of such good practice identified and shared in this way include the model customer files and the development of bespoke quality audit and delivery improvement processes that go beyond A4e expectations. In another example, SCP staff have visited an A4e office to establish what they are doing and so develop their own understanding. (3b.8)

▲ The clarity of the documentation identified above also played a part when discussing how the final contract details matched those outlined in the initial stages. SCPs indicated that there is a good level of satisfaction with this aspect and that any changes were covered through variations to contract, rather than through the issue of a revised contract, in order that they could be tracked effectively. (3c.1)

▲ There are also good levels of clarity when it comes to expectations throughout the supply chain, with the publication on the SCP website of a league table to show performance against target across the piece. The terms, conditions and expectations were also made clear during the pre-contract presentations to potential supply chain partners. (3c.4 & 3d.3)

▲ Several good examples exist of collaborative working across the supply chain. These include Partner Super-User groups, 'speed dating' events to bring specialist and end-to-end SCPs together and working closely with Local Employer Partnerships (LEPs) to identify workable solutions to local problems. (3d.1)

▲ The relationships that A4e enjoy throughout the wider network, enable the Organisation to reach out to a diverse range of stakeholders, such as the LEPs, Councils, money advice services, the Employment and Skills Board and a number of housing and health related consortia, such as 'Sheffield Works' amongst others. Feedback from such stakeholders has been used to adjust provision to good effect, for example, the changes made to the drug support provision in order to make better use of funds and the introduction of new SCPs to bolster provision in specific areas. (4a.1)

▲ The communication channels identified above (Website, e-newsletters and monthly reviews, etc.) are also effective at sharing news and latest developments regarding the wider policy and strategy of the commissioner. All those SCPs interviewed were able to give a good description of how they contribute to the social objectives, especially related to homelessness, health and child poverty, with which there was a strong connection for many. (4a.4)

Areas for Improvement

▲ Additional opportunities could be investigated that allow for greater networking and collaboration of supply chain partners, in particular the Specialist Intervention Partners (SIPs) that work with A4e's own offices. This will help to maximise leverage within the supply chain when making bids and help SCPs to strengthen their own offerings, by pulling in other expertise and sharing good practices. (2a.3)

- With funding being critical, there may be opportunities to make the network more aware of additional funding available in their locality, e.g. social enterprise funding that might support additional data security requirements, as in Sheffield. This would obviously help to ease some of the financial burden for beleaguered SCPs as well as reinforcing A4e's position as a catalyst for change. It will also help the entire supply chain to develop in the most cost-effective manner and enable some developments to take place that, without such funding, may not be possible. This will also help SCPs to build capacity. (2b.2)

- The development of staff within SCPs could be expanded beyond systems and processes, e.g. to investigate the implications of Diversity and Equality, Environmental Sustainability, etc. This will help to build understanding and consistency across the supply chain and help SCP staff to fully appreciate the implications of the legal and moral requirements placed on them by policy and legislation. There may also be opportunity to reinforce the requirements for end-to-end Tier 2 providers to develop Tier 3 supply chain staff, where they have pre-existing relationships. (2b.3)

- There was a feeling amongst a small number of SCPs that the opportunity to negotiate around payment structures and volumes/market share had been denied them, although there is evidence to the contrary, e.g. their attendance at pre-contract presentations and from discussions with their A4e Partner Performance Manager (PPM). Accurate or not, it may still be worth revisiting this aspect with SCPs to ensure that their requirements are being met. This will help to reinforce the relationships and position A4e as an organisation that listens and takes note. (2c.6)

- With positive comments from SCPs regarding their relationships with A4e staff, it is clear that such staff are living the values required. Despite forming part of the pre-contract presentations, opportunities could however, be sought to reinforce and refresh these values across the supply chain on a regular basis and provide SCPs with opportunities to shape and agree them further. This would not only strengthen the values throughout the supply chain, but also improve ownership. (3a.1)

- This assessment showed that there are some effective practices in place to monitor the quality of service and customer experience, although this has been restricted until lately to the Tier 2 SCPs. Only now are Tier 3 SCPs coming into the frame for QA inspections. A4e should look to ensure that **all** SCPs are monitored for quality and consistency and assure themselves that such arrangements are in place for Tier 3 SCPs who work to other end-to-end Tier 2 SCPs. This will provide for a robust and consistent level of service, regardless of where the customer is in their journey and can serve to identify 'pinch-points' and staff development needs. (3b.1)

- Environmental sustainability needs to become more embedded and all tiers of the supply chain need to understand the implications and required actions in line with the policies in place. The benefits here are that this will provide for improved consistency and enable A4e to define measurable objectives for the supply chain related to basic sustainability concepts, thereby being able to demonstrate a positive impact moving forward. It should also support them in showing value for money. (3b.7 & 4a.6)

- What constitutes Excellent Practice could be even more clearly defined and communicated, shared and monitored for impact. In a couple of the interviews, SCPs commented that they had felt their own processes and practices to exceed those of A4e, for example related to environmental sustainability and safeguarding, due in the main to their long-standing efforts in these areas. They indicated that they felt that this was not always recognised or acted upon. Having a clear understanding of just what constitutes 'acceptable', 'good' and 'excellent' practice will enable SCPs to have a benchmark for their own performance, thereby generating further examples and improving standards overall throughout the supply chain. (3b.8)

- Continuing this theme, it may also be of benefit to look at defining the term 'innovation' and what it might look like, for example within the customer journey. This will help to clarify, identify and share good practice and allow for continuous improvement going forward. (3d.2)

- Benefits could be gained from defining what 'value for money' is in a more clear and concise fashion. It may prove useful to look at what represents value for each stage of the customer journey and look at how much each progression is worth in monetary terms within the distance travelled. This will help to inform judgements at the procurement stage and improve consistency and parity across the supply chain. (3d.5)

- The understanding of what constitutes distance travelled beyond the customer journey and final job outcome could also be developed throughout the supply chain. It may prove of benefit to seek to measure progress against specific milestones defined for each customer, identified at the initial point of engagement. In so doing, consistency and robustness could increase across the supply chain, creating a much improved understanding of what distance travelled actually is and how it is measured. (3d.6

- Having been collected and reported, Equal Opportunities data now needs to be analysed in a robust fashion and used within the supply chain review process. By doing so, A4e and its SCPs will be able to identify shortfalls and adjustments required within the provision offered in order to best meet the needs of the diverse customer groups it serves. (3e.3)

- Opportunities to gain feedback from wider stakeholders could be developed to encompass a network wide approach that flows across CPAs, rather than an approach that looks at each CPA individually. This will help to inform the review of supply chain arrangements, share views much more widely and enable effective and apposite improvements to be made to SCP practices. (4a.1)

- Further evidence, beyond the anecdotal, needs to be gathered regarding the positive and measurable impact that the activities of the supply chain are having on external stakeholders, customer wellbeing and environmental sustainability. Whilst anecdotal evidence presents a sense that progress is being made, it falls short in terms of demonstrating a supply chain wide impact or contribution. More comprehensive and robust measures will provide valuable evidence of how A4e is contributing to some specific wider objectives of the commissioner. (4a.6)

Areas Requiring Further Development

As A4e have met the Standard, as described in the Section 'Assessment Outcome', there have been no areas for development identified as requiring immediate action in order to gain accreditation. However A4e should consider the above Section 'Areas for Improvement', in order to continue to seek excellence in all their supply chain management activities.

Assessment Findings

1   Supply Chain Design
1a)   Supply chain design

The scope and variety of the supply chain was found to be of a good standard with a sufficient representation of public, private and third sector organisations forming part of the network used to deliver services.

The organisations within the supply chain are able to deliver services to a wide range of customer groups with diverse needs. Supply Chain Partners (SCPs) were selected based on geographical coverage, experience, track record and capacity, as well as specialisms and sectors. Criteria 2a carries more detail of the selection process itself.

There is clear evidence that A4e undertook research and consultation regarding local demographics, in addition to employer and customer needs. In addition to an analysis of labour market intelligence, this research consisted of discussions with local Councils, existing providers, Job Centre Plus, Local Employer Partnerships and other key players in the areas covered by the CPAs specified above.

In some cases, the Tier 2 SCPs that were selected by A4e already had established relationships with local specialist providers who then became the Tier 3 suppliers.

Over the course of the contract thus far, there is evidence of an evolving supply chain and examples were provided of new SCPs being brought in to the supply chain to reinforce and expand the range of provision on offer. The Specialist Intervention Partners (SIPs) are an example of where A4e is focusing particular attention as it seeks to build capacity and scope.

A4e was able to identify a number of organisations outside its own supply chain that are used to provide further support of a more specialist nature and this was confirmed in some of the discussions with SCPs. Examples here include: Citizen's Advice Bureau, NACRO, Prince's Trust and various drug and alcohol advice centres and financial advice organisations throughout the CPAs.

2   Commitment
2a)   Collaboration, cooperation and communication

The procurement processes for SCPs within A4e were found to be a key strength. Both successful and unsuccessful SCPs commented that they found the communications throughout the procurement process to be good and that there were several examples of A4e consulting with key partners, primarily around systems and processes. The communication processes throughout all stages of procurement included a number of presentations for all interested parties (a total of 1200 people attended these events), together with emails, face-to-face discussions with existing networks. Contract/procurement information was also shared on A4e's website 'MyA4e.com', with A4e's Business Development Partnership Managers working alongside prospective SCPs to share information and understanding in order to develop their bids.

Following procurement, communications continued to be good, with SCPs citing discussions, emails and networking events as effective at all levels. The partner forum meetings in particular received very positive comments, with SCPs commenting that they found them to be open, honest and effective at challenging ideals and promulgating good practice.

Comments and suggestions made by SCPs aimed at improving systems and processes before, during and after the contracting process have been demonstrably acted upon, leading to clear improvements being introduced. For example, early post-contract discussions at PPM level identified some aspects of the information system (My A4e Desk) that required modification in order to improve efficiency and provide required detail.   This has led to a new system being developed and about to be launched.

Whilst there were several examples provided of A4e working with a number of Tier 2s in a collaborative manner at a senior level, for example in the design of the supply chain and its operational framework, there were few examples evident of Tier 3s and 4s working together for their mutual benefit and little in the way of cross-CPA networking.

All those interviewed within this assessment were clear as to the business relationships underpinning supply chain arrangements now in place and there was no ambiguity evident.

With very effective working relationships in place at both senior and operational levels, the cascade of information was cited by many to be good. In addition to face-to-face discussions, for example at the PPMs' reviews, A4e has introduced Provider Guidance, stored on MyA4e.com to help keep SCPs up to date with a wide range of developments and emerging issues. Alongside this run the weekly Roundup emails and weekly PPM Tele-calls, providing system updates, best practice tips and associated guidance to front-line operational users.

 All SCPs questioned commented that they found the communications to be open and honest. Evidence of how A4e and Tier 2 providers check the understanding by the Tier 3s and 4s was limited however at this stage.

2b) Developing supply chain partners

With existing providers coming into the supply chain to deliver this Work Programme contract, many are at an advanced state of organisational development, requiring little in the way of further development by A4e. For others at Tier 3, encouragement and support has been provided to a number of providers who have received advice and guidance on building capacity, developing systems and processes and promoting themselves within the marketplace, all enabling them to grow, or simply remain sustainable and, in some cases, actually join the network of SCPs.

There are clear opportunities now to drive down support to the lower tiers in this regard and work is in train to bolster the SIPs, with a dedicated post being established by A4e to manage this transition.

There is some evidence to show that additional funding streams have been brought to the attention of SCPs, e.g. in the cross selling of partners' funded services through 'speed-dating' events. A bespoke Capacity Building Programme was developed in conjunction with the Foundation for Social Improvement (FSI) specifically targeted at the smaller and Third Sector SCPs. This programme included fund development strategies, in addition to capacity building approaches.

There was some evidence to suggest that not all SCPs are learning of the additional funds available and at least one SCP indicated that they had accessed local funding to help support their data security needs, though the availability of such funding is not widely known. This then is an area worthy of further exploration.

In regards to developing the staff within the SCPs, there are many examples of training being offered, in the main associated with systems and processes, though training offered has also included capacity building and strategic employer engagement. Records show that A4e has delivered over 800 training days over the last year. The training offered thus far has been without cost to the SCPs and has been delivered by A4e's own training staff, drawing in specialists are required, e.g. FSI. 'Happy Sheets' provide immediate feedback on satisfaction levels of SCP staff and impact is reviewed at both individual and organisational levels in discussions with PPMs and contract staff at A4e during the weekly calls and monthly review meetings.

With an extensive and still expanding number of SIPs, opportunities clearly exist to expand the range of staff development available to supply chain personnel.

2c) Contracting and funding

Clearly a strength of A4e's, the contracting processes were found to be fair and equitable by all those interviewed within this assessment. The selection of SCPs follows well tried and tested procurement methodologies and communications generally are good throughout the process.

A4e operates a Framework approach to contracting across all its service offerings. In this approach, potential suppliers are required to complete basic details about their own organisation. Once accepted onto the Framework suppliers then complete a more bid specific application form. Those interviewed indicated that they had found the Partnership Application Form to be easily accessible (through A4e's web site), understood and straightforward to complete. They also commented that they liked the Framework approach as it simplified applications and avoided a degree of repetition for organisations submitting multiple bids.

Submitted Application Forms were considered by the Partnership Board and a senior team of Directors and managers, and scored both independently and collectively. In adopting good practice, these scores were also weighted in order to create a reasoned balance between the various selection criteria. Successful end-to-end applicants were put through a standard due-diligence process that included: financial stability, technical competence and capacity to deliver.

SCPs confirmed that A4e has devised and distributed effective and robust contract and guidance documents that clearly define the obligations of both A4e and its SCPs.

Market share has been defined and agreed based on geographic areas and agreed volume capacity. As a result of the presentations and up front discussions in advance of contracts being issued, in which the delivery model was outlined, all SCPs are aware of how market share was allocated. This awareness is reinforced through the monthly "League Tables", published and accessible to all directly contracting supply chain partners.

There is also sufficient evidence to show that some proactive negotiation took place regarding volumes and expectations. Funding arrangements follow a complex Payment By Results model. Whilst generally deemed satisfactory, a number of Tier 3 SCPs indicated that these options did not always filter down to them and that alternative payment methods might help them to manage their cash flow more effectively. To date there have been a small number of variations to contract regarding market share since agreements were initially signed. There were a couple of examples where starts has been delayed in agreement with the SCPs concerned, in order to allow for staffing issues to be resolved; these had been well received by the SCPs.

The transfer of funds throughout the supply chain is working effectively with no examples identified within this assessment of any inaccurate, or late payments being made. The initial presentations have done an effective job and all levels of the supply chain are aware of the level of management fee and its purpose in general terms, citing admin charges, events, IT and systems support, communications and business support generally.

3   Conduct
3a)   Demonstrating commercial and business integrity

The working relationships between the Prime and SCPs are clearly at a high level. There are particularly good relationships with the PPMs and feedback from SCPs suggests that these relationships are fundamental to the effective working of the supply chain. The core

principles and operating philosophy of A4e were presented to the supply chain during the pre-contract presentations and discussions and have clearly become embedded within daily working practice throughout the Organisation.

In describing these business principles, SCPs included such aspects as: openness and transparency, working in the best interests of the customer at all times, diligence in operating the contract and a commitment to continuous improvement.

Moving forward there is potential for A4e to engage further with the Tier 3 SCPs in order to further establish and develop relationships across the whole supply chain.

With a team of legal counselors on board and some experience under their belt, A4e has demonstrated a good understanding of the TUPE processes and requirements and, barring one or two minor incidents, the transfer of staff between organisations was effectively managed. Communications were good throughout the process, consisting of presentations to 'at-risk' groups combined with more specific one-to-one dialogue and those staff interviewed indicated that they felt supported at all stages.

Changes in legislation and statutory requirements are notified effectively through electronic processes, including MyA4e.com and these are reinforced within the monthly performance reviews and discussions with A4e's PPMs and during QA and audit activities. The previous comments regarding the need to check understanding of messages communicated in this way however, equally apply here.

3b)   Quality Assurance and Compliance

Quality Assurance processes and practices are good at the Tier 2, end-to-end provider level and A4e has in the last six months started a programme of visits to QA the Tier 3 SIPs. From such QA Inspections, a continuous improvement plan is drawn up and agreed and this is revisited at each of the PPM reviews undertaken with the SCPs monthly. All results of QA activities and feedback are channeled through A4e's Compliance Management function in the first instance, referring to the Business Excellence Team where appropriate, in order to identify trends and areas for development.

It is clear that there are effective processes in place to utilise the findings of the QA processes to inform and improve service delivery and there have been a couple of changes to supply chain design arising from QA Inspections to date, primarily around varying contract levels, or suggesting new partners for the supply chain. SCPs commented that they find such inspections to be well managed, effectively conducted and valuable in identifying areas for development.

With well established supply chain partners, many of whom having a long history in the field of Information, Advice and Guidance, A4e is able to demonstrate that access to high quality provision is made available and promoted to customers at the point of delivery. Through the various communications, networking approaches and one-to-one dialogue, all SCPs are aware of the IAG available in their geographic areas and feedback from end-users as part of the service delivery process is reviewed in order to gain insight into customer satisfaction

levels. Worthy of particular note is a new on-line survey tool, introduced in early 2012 that can be accessed by customers from their own PC through the A4e website, although it is a little early in the day to be able to comment on its effectiveness.

Prior to contract award, A4e delivered a series of information security workshops to all SCPs. The A4e security team to ensure data security compliance then audited all Tier 2 SCPs. This was a three-phase process, with a desk-top review, network penetration test and on site physical check of equipment and systems. This team also offered guidance as to the requirements of the security standard in the context of each provider and an action plan agreed with each where a shortfall was identified. In many cases, this required SCPs to invest heavily in new equipment in order to meet the exacting standards set. A4e monitors ongoing compliance with the required standards through the completion of monthly BPSS returns by the end-to-end providers. A4e actively encourages SCPs to adopt best practice by achieving national standards and at least one SCP has elected to become accredited to BS27001 as a result.

The processes for data security within Tier 3 SCPs are less robust, relying instead on self-assessment and statements confirming compliance from the SIPs. This compliance forms part of the QA inspections though, as identified above, these have yet to become embedded within the Tier 3 SCPs.

Health and Safety policies are initially assessed as part of the procurement process and reviewed as part of the monthly performance discussions between the Tier 2 SCPs and their PPM and again by the QA team in their regular inspections.   In the event of any shortfall, or corrective action being required, an action plan is drawn up by the SCP and agreed with their PPM, supported by A4e's specialist H&S advisors. Where Tier 2s have agreements with their own Tier 3 providers, the A4e/Tier 2 contract requires that the Tier 2 provider checks and confirms H&S meets requirements. For Tier 3 SCPs, the monitoring of health and safety takes place through the self-assessment Compliance Questionnaire and will feature within the extended QA checks coming on line over the next few months for this group, whereas the SIPs are subject to a health and safety, pre-vet check.

Discussions with the SCPs in this assessment would indicate there has been no specific training offered to SCPs on H&S to date, although guidance is available through the PPMs and specialist team as required and requested.

A similar situation exists for safeguarding, with initial checks on policies in place through the Compliance Questionnaire and an ongoing monitoring of SCPs for effective practices during the reviews and inspections by A4e staff.   Standard Operating Procedures set out A4e's stance on safeguarding, including a requirement to notify A4e of any related incidents. A Group Designated Safeguarding Officer (DSO) is in place at A4e who effectively acts as the safeguarding champion for all A4e enterprises and monthly management information returns capture related data, although there have been no reported, or identified incidents since contract start. All the end-to-end partners and many of the current SCPs have their own DSOs. As with H&S, there has been little in the way of training offered to SCPs related to Safeguarding, though again, significant moves have been made in this respect to drill down to the SIPs.

There are policies in place throughout the supply chain related to Environmental Sustainability (ES) and this forms part of the selection criteria for all supply chain applicants and is an integral part of the Compliance Questionnaire and structured reviews, audits and inspections undertaken by A4e. In reality however, several of the SCPs had only low levels of understanding when it came to describing what these policies mean in practice, beyond "re-cycling". Whilst SCPs are required to submit data that includes ES, there are currently no targets set by A4e for SCPs specifically related to ES issues, beyond those that the SCP organisations may have in place of their own volition. The collation and analysis of this data is also in its infancy at this time, although this forms part of the plans for A4e moving forward over the next 6 months.

Whilst there are examples of 'excellent practice' being demonstrated, e.g. the exemplar customer files and the Employer Engagement training programme, A4e at this time has not set out to define what the term actually means and consequently has not communicated with the supply chain in this respect. This leaves supply chain partners identifying what they believe to be good practice and sharing the same through the various formal and informal networking opportunities, such as the partner forum meetings. Examples of good practice are also shared on MyA4e.com for all partners to review and consider.

3c)   Honouring Commitments

A4e has managed SCP expectations well with effective communication throughout the procurement phase and during live running. Expectations have been clearly defined from the outset and communicated in both written format and verbally within discussions. Within this assessment, SCPs confirmed their understanding of these expectations and that post-contract arrangements reflect pre-contract agreements.

No formal complaints were raised/identified by SCPs when interviewed, though when asked, SCPs were aware of the dispute resolution processes and how to access it on the web portal should the need arise. The lack of formal complaints is due largely to the positive relationships existing between A4e and its supply chain partners. Issues and concerns are addressed as they occur by the PPMs, drawing in the Partnership Director and/or Commercial Team as appropriate. Again, all the SCPs interviewed indicated a good level of satisfaction with regards to concerns being quickly addressed in a positive manner.

A4e senior staff also indicated that it would be open to any such challenge and that it would abide by any decision made by the Merlin Mediation Service, though this service was relatively unknown to the Tier 3 providers and specialist call-offs, due in the main to the fact that it has not been required to this point in time.

As indicated previously, all SCPs have been made aware of the distribution of market share at all stages of the contracting process. Expectations regarding processes, practices and standards formed part of the pre-contract presentations to potential SCPs and these have been built into the contracts, Standard Operating Procedures and service guidelines, including the Work Programme Operating Model, all issued to SCPs at contract launch. These expectations continue to drive the performance and quality reviews and are a key feature of the partnership forum meetings.

3d) Performance

It is clear that the supply chain has been encouraged to work collaboratively, e.g. in the design of systems and processes pertaining to the supply chain. Within the supply chain itself are several examples of partners being consortia in their own right, for example based on tackling homelessness and drug/alcohol abuse, etc. and this consortium based approach formed part of the rationale for their introduction into the supply chain initially.

The Super-Users group also evidences A4e's approach to working in partnership and collaboration with its SCPs. Weekly teleconferences and webex sessions provide for 'experts' to review and discuss developments and requirements across the network, though in the main this tends to be end-to-end providers, rather than the SIPs concerned with the point of delivery and this may be worth some consideration in the future.

A4e has demonstrated effective performance management processes and practices, primarily through the monthly performance reviews with A4e's PPMs and compliance team staff. Opportunities exist for SCPs to raise issues and discuss concerns at these meetings and these are shared across the operational teams within A4e in order to resolve effectively. Lessons learned are also noted and shared across the network through MyA4e.com, weekly emails and ongoing discussions, though at this time there is no central log of such lessons learned.

Any under-performance identified within an SCP results in an improvement plan being drawn up and agreed between the SCP and their PPM and this drives any subsequent reviews, audits and inspections until such time as the shortfall is addressed. An example was provided of an SCP consistently failing to deliver targets and a suggestion being made by the operational team that they be withdrawn from the supply chain. The SCP then worked alongside their PPM to identify the causes of the shortfall and introduced measures to remedy. The result has been a return to form for the SCP and a valuable partner has been retained.

Whilst examples of over-performance are limited, nonetheless the various performance teams within A4e use their internal discussions to identify where SCPs may learn from the successes of others and take ideas out into the network. An example here has been the visit to a high-performing office by other SCPs in order 'to see how it could be done'. At least one SCP has subsequently taken forward some of the approaches and has started to see an improvement in performance as a result.

Through clear communication and effective monitoring and reporting, supply chain partners confirmed that they are very clear as to their performance expectations and that the MI system provides an effective and accurate record of such performance. "League Tables" are produced monthly to allow all SCPs at Tier 2 and Tier 3 to see their performance as compared to others and several SCPs commented that they found the high level of detail shared to be quite unique when compared to other Primes.

A4e has defined Value For Money as being 'to deliver the objectives of each contract within budget and through open and transparent performance management'. Payment structures are biased toward high performance and reduced funding levels differentiate poor

performance. The focus of the Payment By Results system is of course job outcomes and sustained employment for the end-to-end providers and SIPs are paid on a services delivered basis, rather than through a retained fee. Those SCPs questioned were very clear as to what constitutes value for money, aptly summed up by one such partner as 'payment by results'.

With effective management information that tracks the customer journey and effective management systems, A4e has made a reasonable start to determining "distance travelled". Initial assessment and regular customer reviews and re-assessments continue to monitor an individual's progression and development, with personal goals being agreed and monitored. The use of a 'RAG' (Red, Amber & Green) rating system helps to create a visualisation of a customer's needs and any progress made.

In discussions with SCPs, it became apparent that their understanding of what represents distance travelled is many and varied and this may warrant further clarification.

3e)   Promoting Equality and Diversity

All those within the supply chain are required to have and maintain a Diversity and Equality policy that at least matches that of A4e. Compliance with this requirement is confirmed during the procurement process through the Compliance Questionnaire and is subject to audit during the monthly PPM reviews.

In designing the supply chain, A4e were able to contract with several SCPs, for example the Councils and Third Sector organisations, that have been working with and developing D&E approaches over many years and A4e senior staff have indicated that this has been invaluable as they continue to review and develop its own approaches.

Whilst the management information system consistently captures diversity and equality data, there has been little activity to date to analyse and utilise the information gathered to demonstrable effect. With this as an emerging strategy, SCPs are, as yet, unaware as to how A4e will use such analysis to inform future service delivery, or how it links to the wider policy and objectives of the commissioner.

4   Review

4a)   Supply chain review

Feedback has been collected from a range of stakeholders over the duration of the contract, either through formal processes such as performance review meetings, national and local networking or though informal situations. The first of two longitudinal surveys was also carried out six months ago to determine the effectiveness of arrangements with SCPs and members of the wider network, the results of which were shared with audiences at the Merlin briefing sessions that took place in March of this year.

Effective relationships with organisations such as LEPs, Employment and Skills Boards, charities, social enterprise groups and consortia all provide for a rich vein of information and feedback.

As a result of this feedback, there is evidence of improvements being made to both practices and processes throughout the supply chain. Evidence of such improvements includes adjustments to the provision related to drug support to better make use of funds and the development of the Financial Advice Service offered directly by A4e. There are also examples of new SCPs being brought on board as a result of feedback from network members.

Discussions with SCPs during the monthly PPM reviews, workgroup sessions held for SCPs to review supply chain arrangements against the Merlin Standard and the issue of a draft version of A4e's Self Assessment Report (SAR) for SCP comment, all contribute to the development of A4e's SAR. The outcome of this process is an all-encompassing action plan, used by A4e to drive development and improvement activities. The Plan is not currently shared across the supply chain network, although highlights are shared through the various communication routes, e.g. MyA4e.com and the regular newsletter and reinforced by the PPMs as appropriate.

There is a clear commitment within A4e to the wider policy and objectives of the commissioner. This is evident in the design of the supply chain and the use of specialist providers and in the various new initiatives being explored and delivered. All those SCPs interviewed were broadly aware of the commissioner's objectives, as well as the part they will be playing in contributing towards them in a demonstrable fashion. These include such aspects as improving employability, improving health standards, reducing homelessness, removing child poverty and reducing crime levels and are, in essence, the reasons they were brought into the supply chain in the first instance.

Discussions with SCPs at all levels have shown the communication channels identified earlier within this report to be equally effective at providing the supply chain with up to date information on wider policy and strategy, through effective communication vehicles and face-to-face dialogue.

The outcome of the various processes and mechanisms to review and develop the supply chain have given rise to some significant changes, including the expansion of the supply chain, process and policy changes and tweaks to the systems as chronicled earlier in this report.

Though the design and activities of the supply chain have without doubt evolved over the last 12 months, examples of positive impact on such aspects as external stakeholders, customer wellbeing and environmental sustainability tend towards the anecdotal and remain largely unmeasured. As a result it is difficult to evidence a positive impact in meaningful terms.